

SECTION I E - QUALITY ASSURANCE/TRAINING

The Clerk's Office established the Quality Assurance/Training Department in late 1998. By combining training with the quality assurance process, this department was designed to optimize the synergistic relationship between the two related areas. The new department analyzes data and makes recommendations for improving quality control, conducts training in selected areas, and coordinates district-wide training.

In 1998, the Court continued to develop staff through a balanced program of training in both automation and operational functions. In addition, the skills of staff were enhanced through sessions on developing leadership skills, managing disagreements, improving communications, working effectively as part of a team, and improving writing skills. The Court also had two staff members graduate from, and two others selected to participate in, the prestigious *Federal Court Leadership Management Program*.

Please see the following table for further details on the training completed during the year.

DISTRICT-WIDE TRAINING: 1998

Name of Class	Number of Classes	Participant Hours					
		Total Participant Hours	LA Staff	Riverside Staff	Santa Ana Staff	Northern Division Staff	SFV Staff
Docketing and Operations							
NIBS Conversion	46	1,277	0	1,277	0	0	0
NIBS - General	61	742	259	0	10	473	0
Docketing Procedures	136	2,569	1,328	0	784	134	323
Calendar Program	16	103	0	57	22	24	0

Name of Class	Number of Classes	Participant Hours					
		Total Participant Hours	LA Staff	Riverside Staff	Santa Ana Staff	Northern Division Staff	SFV Staff
Locally Developed Automation Training							
Intranet/ webPACER	12	91	75	0	0	14	2
WordPerfect	85	823	413	182	33	40	155
Imaging Review	1	32	0	0	32	0	0
Windows 95	6	45	27	0	0	18	0
cc:Mail	7	114	13	12	69	20	0
Bank Card Training	12	169	77	0	25	20	47
Integrated Cashiering System (ICS)	20	81	0	0	0	0	81
FJC Sponsored							
On-Line Conference (Teams)	2	6	3	0	1	1	1
Working Classes	10	310	0	0	0	0	310
Managing Disagreements	3	96	0	0	0	96	0
Sexual Harassment Awareness	4	92	47	0	45	0	0
Deputy Clerks Making a Difference	4	644	0	371	273	0	0

Name of Class	Number of Classes	Participant Hours					
		Total Participant Hours	LA Staff	Riverside Staff	Santa Ana Staff	Northern Division Staff	SFV Staff
Locally Developed Training							
Applied Supervision	2	349	192	35	52	35	35
Extern/Law Clerk Training	5	960	813	18	48	0	81
Employee Dispute Resolution	5	87	42	16	14	5	10
Employee Assistance Program Training	4	35	0	20	15	0	0
Deputy Clerk Leadership Training Seminar	1	432	208	64	64	32	64
Stress Management	2	16	0	0	0	16	0
Performance Management Seminar	1	544	352	48	96	16	32
Presentation Skills	2	27	3	0	12	0	12
Other Training							
Grammar Classes (contracted training)	2	84	42	0	28	0	14
IntelliTrack	1	48	24	6	6	6	6
Westlaw Training	1	18	18	0	0	0	0
Writing Classes (contracted training)	11	350	158	26	40	72	54
Special Procedures	2	6	0	0	0	0	6
TOTAL TRAINING	464	10,151	4,094	2,132	1,669	1,022	1,233

SECTION I F - TECHNOLOGY

District-Wide Conversion to Integrated Operating System Completed

With the conversions of the Northern and Riverside Divisions from the BANCAP case management system to NIBS, the Court concluded a four-year program designed to upgrade all divisions to one common case management system. The Northern Division completed its conversion on April 17, 1998, while the Riverside Division converted on December 7, 1998.

Although this project was labor intensive, from a technological perspective it was critical for the Court to complete the conversion as soon as possible. Maintaining two separate systems required staffing and equipment redundancies that were inefficient uses of these resources and doubled the effort required to bring the Court's systems into Y2K compliance. With the entire District on NIBS, all divisions can now benefit from the automation enhancements that have been developed for the Court, as well as new developments on the horizon.

With the conversion to NIBS completed, all divisions have now met the prerequisite for running webPACER and imaging documents. The recently converted divisions are now also able to reduce much duplication of data entry by downloading data from their Integrated Cashiering System (ICS) to NIBS. Some other major enhancements that are now in effect across the Court include: automatic docketing of the 341(a) hearing; automatic case closing; and automatic dismissals for failure to file schedules. Each of these enhancements saves labor and decreases the likelihood of human error, thereby improving quality. Finally, having the Court on one case management system has certain operational advantages, such as improving consistency in docketing and training staff.

Video Conferencing of Judicial Proceedings Commences Throughout the Court

In 1998, video conferencing was introduced in all five divisions of the Court. Most significantly, the Court began utilizing this technology in four of the divisions to conduct hearings between divisional offices, enabling judges to preside over cases from their own courtrooms while the litigants appeared in another divisional office. In April 1998, the Honorable John E. Ryan began conducting video conferenced hearings from his Santa Ana courtroom, while the litigants appeared in a Riverside courtroom. In June 1998, the Honorable Ellen

Carroll began presiding over San Fernando Valley hearings from her Los Angeles courtroom. Using video conferencing, hearings are conducted in the same manner as if all parties were in the same courtroom.



Courtroom video conferencing enables a judge to carry a caseload in two or more divisions by eliminating the time, cost, and inconvenience

associated with travel between divisional offices. Use of video conferencing in this manner enables the Court to allocate judicial resources on the basis of workload rather than geography. Accordingly, video conferencing has enabled Judge Ryan to provide assistance to the Riverside Division by receiving 50% of a Riverside judge's case assignment from that Division, while Judge Carroll receives 40% of a San Fernando Valley Division judge. In addition to the benefits to the Court and its judges, video conferenced hearings also afford cost and convenience benefits to attorneys, litigants, and other parties as well. To date, courtroom video conferencing has also enabled emergency matters to be heard by a judge at a remote division; local judges to participate in hearings conducted elsewhere in the country; and appearances by Los Angeles area litigants in hearings held in another state.

To ensure the successful implementation of this new way of conducting hearings and of sharing divisional caseloads, the Clerk's Office developed comprehensive procedures and modified existing operations to ensure that the hearings and the flow of documents between divisions ran smoothly. Prior to the implementation of courtroom video conferencing, procedural manuals, specifically tailored to each division, were developed not only for the staff, but for attorneys and the public as well. Staff in each of the affected divisions also underwent extensive training in the new procedures, which were designed to accommodate the particular judge's courtroom practices and the operational practices specific to each division. This training included conducting mock trials to test the equipment and to rehearse procedures, which allowed the staff to experience video conferenced hearings before actual video conferenced hearings were held.

Video Conferencing Utilized in All Divisions

In addition to court hearings, the Court also began utilizing video conferencing to facilitate meetings, training, and personnel recruitment. In all divisions, video conferencing is used extensively for judicial and other meetings, resulting in significant savings in travel time and costs that would otherwise be associated with in-person attendance. Video conferencing is also used as a means of efficiently conducting District-wide training. Following the introduction of the revised Local Rules, for example, a District-wide training session was conducted via video conferencing for Clerk's Office and chambers staff in all divisions. The Court utilizes video conferencing in other areas as well, such as to conduct employment interviews where members of the recruitment panel or the interviewees are in different locations.

Court Testing For Year 2000 Compliance

The world has been challenged by the year 2000 (Y2K) issue for the past several years. Computer software applications with a two-digit year code will not be able to recognize "00" as the year 2000. To address this issue, the Clerk's Office established a lab in Los Angeles to centrally test all applications used in the Court. By the end of 1998, the Clerk's Office was on schedule to complete all software revisions and testing required to meet the Y2K challenge.

Case Management Software Enhancements Developed

Automated Docketing and Noticing of 341(a) Meetings - Docketing of the 341(a) meeting and the related electronic request for a 341(a) notice from the contracted noticing agent has been automated. In addition to eliminating duplicate entry of data, the automation also improves data quality and case processing speed.

NIBS Automated Incomplete Petition Report - A NIBS enhancement that automates the identification and tracking of incomplete petitions was implemented District-wide in November. Replacing a manual process of logging all subsequently filed schedules and tracking deadlines, the new program generates a report listing cases that are candidates for dismissal for failure to comply with *Federal Rules of Bankruptcy Procedure* 1007 and 3015(b).

Incomplete Petition Notices Automated for Deficient Petitions - The Clerk's Office began testing an Intake Cashiering System (ICS) enhancement in the Riverside Division. This enhancement, when appropriate, prints a completed *Order to Comply*, *Case Commencement Deficiency Notice*, and *Case Initiation Action Notice*. When produced, the notices are automatically printed with the

case number, debtor's name and address, attorney information, and reason(s) for the notice. This new ICS enhancement improves the legibility of the completed forms, allows for increased flexibility in revising the notices, and eliminates the time previously required to write information on the old three-part forms.

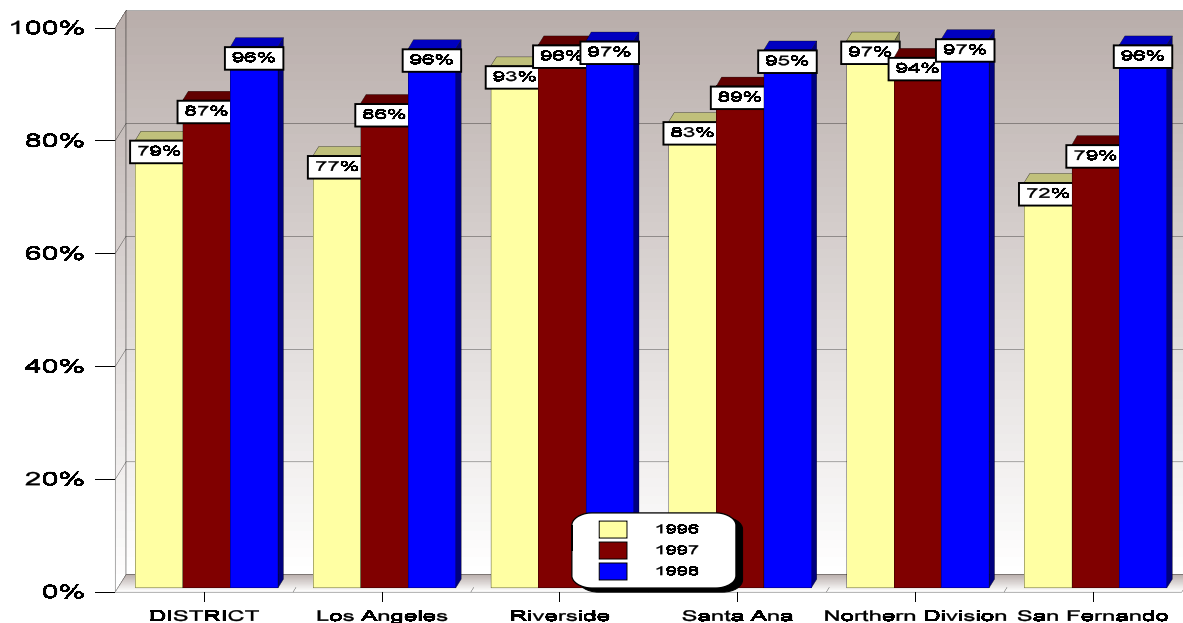
NIBS Automatic Closing Module Introduced - Following the successful piloting in the Los Angeles Division, all divisions were provided with a NIBS automated closing module that automatically reviews the entire NIBS database for each division and lists Chapter 7 dismissed cases that fit parameters for closure. After quality control measures are applied by operations staff, the program will automatically enter the closing entries on the docket and generate an order closing the case, saving many hours of time at each division. By the end of 1998, the Los Angeles Division began testing the next phase of NIBS automatic closing that includes discharged cases, which will result in greater time savings. In addition to saving time, the module is another important tool in helping the divisions manage their caseload, as it greatly increases control over pending cases by ensuring that they are closed in a timely manner.

SECTION I - G - CASE ADMINISTRATION

Docketing Performance Reaches New Levels of Excellence

The Court closed out the year with an exceptional improvement over the already excellent docketing performance achieved in 1997. During 1998, 96% of all items were docketed within 2 days (excluding automated docket entries), improving the docketing performance recorded for 1997 by 10%. In addition, more than 75% of all orders were entered on the same day they were signed.

Central District of California
Docket Time: Items Completed in 2 Days or Less
1996 through 1998



Divisions Integrate Imaging into Operations

The Los Angeles, Northern, and San Fernando Valley Divisions were required to make fundamental changes in order to integrate the imaging of documents into their existing operations. In the Los Angeles Division, the Case Initiation Department completely reorganized into teams to image the approximately 250 new cases filed per day, while virtually eliminating Intake waiting lines. In the San Fernando Valley Division, staff underwent considerable cross-training to maximize staffing flexibility.

Records Archived

In 1998, the Central District sent files for 100,182 bankruptcy cases and files for 9,663 adversaries to the National Archives and Records Administration (NARA) for archiving, an increase of 15% in overall cases shipped over last year. The following table shows the archiving activity that occurred in each division during 1998.

Records Sent to the National Archives and Records Administration (NARA) in 1998						
Cases	LA	RS*	SA	Northern	SFV	Total
Bankruptcy	43,455	0	21,688	5,788	29,251	100,182
Adversary	5,755	0	1,236	402	2,270	9,663
* The Riverside Division archived a large shipment in 1997 prior to its move to a new facility.						

Innovative Automation Used to Manage Mega Case

The *Kent & Spiegel Direct, Inc.* (LA98-30328-KM) case became the first mega case in the Court to have all docketed documents imaged. Electronic images are available to the public through webPACER, eliminating the need for a contract printer that is typically associated with a mega case, while improving access to case information. A special arrangement between the debtor and the Bankruptcy Noticing Center (BNC) was established by the Court to use existing automation to notice the over 60,000 creditors, while the estate paid noticing expenses directly to the BNC.

Overall, noticing and claims processing expenses have been reduced, access to timely information is vastly improved, costs for administering the estate are decreased, and the Court maintains better control over the administration of the case.

Caseload Aging Significantly Reduced

One of the important indicators of how a district manages its caseload can be found in the average age of its cases. In addition to closing a record number of cases in 1998, the Court managed to also reduce the overall age of its caseload. In eight out of twelve aging categories, the percentage of cases reaching a variety of aging categories was reduced, one category had no change, and three categories showed an increase in their percentage of cases. (See table on the following page.) The results are a significant indicator that the Court has been successful in targeting its older, more complex cases and adversaries for closure.

Central District of California: Analysis of Pending Case Aging: 1997 vs. 1998				
	Pending Case Aging Category	12/31/97	12/31/98	Percent Reduction
Chapter 7	Percent 2-4 Years	5.9%	4.2%	28.8%
	Percent 4-6 Years	3.0%	2.2%	26.7%
	Percent over 6 Years	2.0%	1.9%	5.0%
Chapter 11	Percent 2-4 Years	22.3%	24.8%	-11.2%
	Percent 4-6 Years	14.7%	10.7%	27.2%
	Percent over 6 Years	13.3%	14.1%	-6.0%
Chapter 13	Percent 3-5 Years	8.6%	8.5%	1.2%
	Percent 5-6 Years	0.5%	0.5%	0.0%
	Percent over 6 Years	0.1%	0.0%	100.0%
Adversaries	Percent 1-2 Years	14.0%	15.6%	11.4%
	Percent 2-3 years	15.5%	6.6%	57.4%
	Percent over 3 Years	8.0%	8.7%	-8.8%
Number of Pending Case Aging Categories Recording Improvement Out of 12 Categories				8/12

SECTION I H - COMMUNITY OUTREACH

Executive Officer/Bankruptcy Employees Contribute to Their Community

The employees of the Court demonstrated their commitment to the community through the four authorized Combined Federal Campaigns (CFC) in our District. Established in 1961, the CFC is the only authorized charitable campaign in the government workplace. Through the CFC, employees can contribute money to hundreds of different non-profit organizations for people in need. In 1998, 306 employees pledged \$38,182 for the 1998-99 campaign, representing a substantial 29% increase over 1997. In addition to monetary contributions, staff members volunteered in numerous capacities, including Jon D. Ceretto, Executive Officer/Clerk of Court, who served as Chair of the 1998-99 Greater Los Angeles campaign. The Greater Los Angeles CFC raised over \$3.8 million from 62,000 federal employees in Los Angeles County.

Combined Federal Campaign (CFC) Program						
Divisional Office	1997 Dollars	1998 Dollars	% Change	1997 Donors	1998 Donors	% Change
Los Angeles and San Fernando Valley	\$25,235	\$29,444	17%	153	196	28%
Riverside	6,887	4,738	(31)%	63	77	23%
Santa Ana	1,315	3,412	160%	7	21	200%
Santa Barbara	224	588	163%	15	12	(20)%
TOTAL	\$33,661	\$38,182	13%	238	306	29%

Court Reaches Communities Through Job Fairs

Representatives from the Court Resources Division participated in two job fairs as part of an effort to reach out to the communities served within the Court: one at the San Bernardino Valley Community College, and another that was hosted by the California Employment Development Department (EDD). The EDD job fair was held in the San Fernando Valley for veterans of the armed services. In addition to increasing awareness of the Court, information related to career opportunities, including intern positions, was made available. As a result, a greater number of applications was submitted to the Court.

Court Continues Participation in Summer Youth Program

For the fifth year, the Court participated in the Summer Youth Employment Training Program (SYETP) that is coordinated by the City of Los Angeles and the California Employment Development Department. Under the program, participating students are selected by the City of Los Angeles based on family income and other criteria. After pre-employment orientation by SYETP, the student workers are assigned to introductory-level positions in the Los Angeles Division. In addition to providing assistance to the Court, the student workers are trained in computer software applications and various office procedures by Court staff. The program, which is funded by a federal grant, provides most of the participating students with their first entry into the workplace.

Court Participates in National “Bring Your Child to Work” Day

On April 23, 1998, all divisions of the Bankruptcy Court participated in the national “Bring Your Child to Work” Day. District-wide, more than 175 children between the ages of 5 and 15 attended this special day. Each division scheduled a similar program for the children, which included a demonstration of video conferencing, the administering of a special “Oath of Office,” tours, a mock trial, and other festivities.

